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July 20, 2001

VIA COURIER

Magalie Roman Salas
Office of the Secretary
Federal Communications Commission
445 Twelfth Street, S.W.
Room TW-B204
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: *Access Charge Reform, Reform of Access Charges Imposed by Competitive Local
Exchange Carriers, CC Docket No. 96-262*

Dear Ms. Salas:

Enclosed for filing in the above-referenced proceeding pursuant to the Commission's April 27, 2001 Further Notice of Proposed Rulemaking are an original, and four paper copies, of the Reply Comments of Network Plus, Inc.

Please date stamp and return the enclosed extra copy of this filing in the self-addressed, postage prepaid envelope provided. Should you have any questions concerning this filing, please do not hesitate to call me.

Respectfully submitted,



Kathleen L. Greenan

Enclosures

cc: Lisa Korner Butler, Network Plus, Inc.

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List A B C D E

Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

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In the Matter of)	
)	
Access Charge Reform)	CC Docket No. 96-262
)	
Reform of Access Charges Imposed by)	
Competitive Local Exchange Carriers)	

REPLY COMMENTS OF NETWORK PLUS, INC.

Network Plus, Inc. ("Network Plus"), by its attorneys, submits these reply comments in response to the Commission's Further Notice of Proposed Rulemaking concerning access charges for 8YY toll-free traffic originated by competitive local exchange carriers ("CLECs").¹ Specifically, Network Plus responds to the erroneous inference made by Sprint Corporation regarding Network Plus. Sprint Comments at 5-6. The casual reference to Network Plus and the inference that Network Plus' percentage of 8YY access charges result from revenue-sharing arrangements is not only incorrect, but an irresponsible use of information that has caused Network Plus to expend its own resources to respond to Sprint's comments and set the record straight. Network Plus has not, and does not, employ revenue-sharing agreements or other incentive arrangements for originating toll-free (8YY) calls.

On April 27, 2001, the Commission established a benchmark mechanism to govern competitive carrier access rates for both originating and terminating access services.² The Commission also requested further comment on whether it should require competitive carriers to

¹ *Access Charge Reform, Reform of Access Charges Imposed by Competitive Local Exchange Carriers*, CC Docket No. 96-262, Seventh Report and Order and Further Notice of Proposed Rulemaking, FCC 01-146 (April 27, 2001) ("CLEC Access Charge Order").

² *Supra* at n.1.

immediately set their rates for toll-free 8YY access services at the level of the incumbent local exchange carrier. Both AT&T and Sprint have failed to produce any real evidence supporting their allegation that a “wide-spread” problem exists with 8YY access charges. Instead, AT&T and Sprint have developed skewed estimates of 8YY access charges and used a broad brush to claim that all CLECs are engaged in revenue-sharing agreement. AT&T Ex Parte letter dated April 3, 2001; Sprint Comments at 5-6. Sprint even goes so far as to place into question those CLECs whose average percentage of 8YY access charges are similar to the ILECs’ average (cited by Sprint). *Id.* The basis of Sprint’s evidence is the difference in the average percentage of 8YY access charges between CLECs and ILECs; yet, there is very little difference, if any at all, between some of the CLECs cited, like Network Plus, and the ILECs. Moreover, a comparison of the percentage of 8YY access charges is meaningless.

In its comments, Sprint presents its “evidence” that 54% of the CLEC access charges resulted from 8YY traffic and only 27% of the ILEC access charges resulted from 8YY traffic. Sprint Comments at 5-6. In a footnote, Sprint names the CLECs used to calculate the 54% claim. Sprint cites Network Plus with 30% of its access bill consisting of 8YY traffic. Sprint fails to note that Network Plus’ 30% is only 3% higher than the ILEC average for April 2001. As demonstrated below, Network Plus’ percentage of access charges for 8YY traffic is typically lower. Furthermore, Sprint provides no evidence that Network Plus uses sharing arrangements, but instead *infers* that Network Plus may do so based on the percentage of 8YY access charges billed by Network Plus. The percentage of 8YY access charges billed by a carrier is *not* proof that revenue-sharing arrangements exist.

Network Plus does not engage in sharing arrangements for 8YY traffic. For the month of July 2001, 8YY traffic consisted of only 29% of Network Plus’ interstate and intrastate access

July 20, 2001

charges. Again, this percentage is in the same ballpark as the ILEC average provided by Sprint. Network Plus submits that the evidence produced by AT&T and Sprint only demonstrates that CLECs serve customers that utilize 8YY services and that a few CLECs have larger percentages of 8YY access traffic than others. AT&T and Sprint do not provide evidence of the extent to which CLECs may use revenue-sharing agreements. Moreover, they fail to demonstrate that revenue-sharing agreements are harmful or unlawful. In fact, certain areas of the communications industry have long experienced revenue-sharing arrangement, such as the payphone industry. Finally, AT&T and Sprint fail to demonstrate that the costs for providing access for 8YY traffic is less or any different from other types of traffic. AT&T and Sprint have failed to give any valid reason to deviate from the benchmark adopted by the Commission. As an aside, it is surprising that AT&T and Sprint have participated in this proceeding, since AT&T and Sprint unilaterally determine the rates they pay CLECs for access service, if they pay at all.

Respectfully submitted,



Richard M. Rindler

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Dated: June 20, 2001

CERTIFICATE OF SERVICE

I, Kathleen L. Greenan, do hereby certify that on this 20th day of July, 2001 the foregoing Reply Comments of Network Plus, Inc. was delivered by hand and first class mail to the following:


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